

**GOVERNMENT OF INDIA  
MINISTRY OF COMMUNICATIONS  
DEPARTMENT OF TELECOMMUNICATIONS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 340  
TO BE ANSWERED ON 28<sup>TH</sup> NOVEMBER, 2024  
SUSTAINABILITY OF TELECOM OPERATORS**

**340 SHRI SANJAY RAUT:**

Will the Minister of Communications be pleased to state:

- (a) the measures being considered to alleviate the financial burden on telecom operators, especially regarding high debt and spectrum prices;
- (b) how Government intends to foster healthy competition in the telecom industry to prevent monopolistic practices; and
- (c) whether Government is considering further policy interventions to support the financial recovery and long-term sustainability of telecom operators?

**ANSWER**

**MINISTER OF STATE FOR COMMUNICATIONS AND RURAL DEVELOPMENT  
(DR. PEMMASANI CHANDRA SEKHAR)**

(a) to (c) To address the issue of financial stress in the telecom sector the Government has approved various structural and process reforms in the telecom sector in September 2021. They are as below:

- i. Rationalization of Definition of Adjusted Gross Revenue.
- ii. Rationalization of Interest rates and removal of Penalties for delayed payments of License Fee (LF)/Spectrum Usage Charges (SUC).
- iii. Rationalization of Bank Guarantees.
- iv. Removal of levy of Spectrum Usage Charges on the spectrum acquired in auctions held after September 2021.
- v. Provision for payment of Spectrum auction bids in 20 equal annual instalments for auctions held after September 2021.
- vi. Requirement of securitizing annual deferred spectrum instalment with a Financial Bank Guarantee has been done away with in Spectrum auctions held after September 2021.
- vii. Surrender of spectrum will be permitted after 10 years for spectrum acquired in auctions held after September 2021.
- viii. Moratorium of up to four years in annual payments of dues arising out of the AGR judgement and spectrum purchased in past auctions. The moratorium is ongoing and ends in FY 2024-2025.
- ix. To encourage investment, 100% Foreign Direct Investment (FDI) under automatic route permitted in Telecom Sector with applicable safeguards.

These reforms were introduced to promote healthy competition, protect interests of consumers, infuse liquidity, encourage investment and reduce regulatory burden on Telecom Service Providers.

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